

FILED
U.S. DISTRICT COURT

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION
DISTRICT OF UTAH

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| <p>BY: _____ DEPUTY CLERK</p> <p>CHOICE HOTELS INTERNATIONAL, INC., a Delaware corporation,</p> <p>Plaintiff,</p> <p>v.</p> <p>J.S.M. LODGING, LLC, a Utah Limited Liability Company, SATESH "SAM" PATEL, an individual and SAM'S LODGING, LLC, a Utah Limited Liability Company,</p> <p>Defendants.</p> | <p>CONSENT JUDGMENT AND PERMANENT INJUNCTION</p> <p>Case No. 2:13-cv-00374-BSJ</p> <p>Judge Bruce S. Jenkins</p> |
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Having considered the Stipulated Motion for Entry of Consent Judgment and Permanent Injunction jointly filed by the Choice Hotels International, Inc. (hereinafter "Choice Hotels"), Defendants J.S.M. Lodging, LLC, Satesh "Sam" Patel, and Sam's Lodging, LLC (collectively "Defendants"), in the above-entitled action, and in view of the parties' stipulation and motion,

IT IS HEREBY ADJUDGED and DECREED that:

1. This Court has subject matter jurisdiction over this matter as it arises under the Lanham Act of the United States, United States Code, Title 15. Specifically, jurisdiction and venue are proper under 28 U.S.C. §§ 1331, 1338 (a) and (b), and 15 U.S.C. §1121(a).
2. This Court has personal jurisdiction over the Defendants.

3. This action concerns Choice Hotels' family of ECONO LODGE trademarks. Specifically,

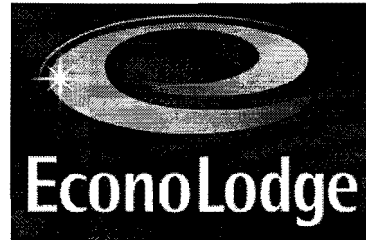
4. Choice Hotels is the owner of the ECONO LODGE family of marks which includes:

- United States Trademark Registration No. 813,642 (hereinafter, "the '642 registration") for the mark ECONO LODGE for use in connection with the provision of motel services.
- United States Trademark Registration No. 1,799,814 (hereinafter, "the '814 Registration") for the mark ECONO LODGE + Design for use in connection with the provision of hotel and motel services; and hotel and motel reservation services. The '814 Registration has become incontestable under Section 15 of the Lanham Act, 15 U.S.C. §1065.
- United States Trademark Registration No. 2,178,518 (hereinafter, "the '518 Registration") for the mark ECONO LODGE for use in connection with the provision of hotel and motel services and for use in connection with rendering technical assistance in the establishment and/or operation of hotels and motels. The '518 Registration has become incontestable under Section 15 of the Lanham Act, 15 U.S.C. §1065.
- United States Trademark Registration No. 2,878,530 (hereinafter, "the '530 Registration") for the mark ECONO LODGE INN & SUITES for use in connection with the provision of hotel and motel services. The '530 Registration has become incontestable under Section 15 of the Lanham Act, 15 U.S.C. §1065.
 - United States Trademark Registration No. 3,489,688 (hereinafter, "the '688 Registration") for the mark E ECONO LODGE + Design:



for use in connection with the provision of hotel and motel services, hotel and motel reservation services for others, and online hotel and motel reservation services for others.

- United States Trademark Registration No. 3,522,065 (hereinafter, “the ‘065 Registration”) for the mark E ECONO LODGE + Design:



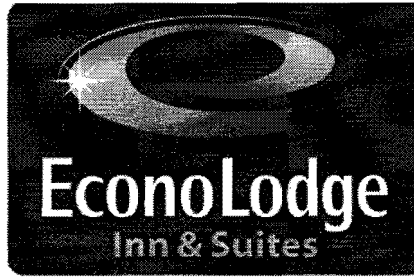
for use in connection with the provision of hotel and motel services, hotel and motel reservation services for others, and online hotel and motel reservation services for others. The ‘065 Registration includes a claim for the color of the mark. Specifically, the registration notes that “the mark consists of a yellow stylized letter “e” inside an oval with a white star design and the word Econo Lodge in white, all on a red background.

- Choice Hotels is the owner of United States Trademark Registration No. 3,522,067 (hereinafter, “the ‘067 Registration”) for the mark E ECONO LODGE INN & SUITES + Design:



for use in connection with the provision of hotel and motel services, hotel and motel reservation services for others, and online hotel and motel reservation services for others.

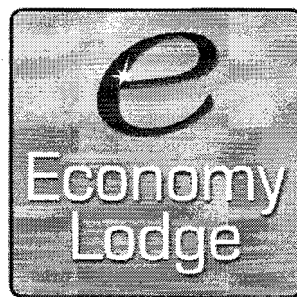
- United States Trademark Registration No. 3,522,199 (hereinafter, “the ‘199 Registration”) for the mark E ECONO LODGE INN & SUITES + Design:



for use in connection with the provision of hotel and motel services, hotel and motel reservation services for others, and online hotel and motel reservation services for others. The '199 Registration includes a claim for the color of the mark. Specifically, the registration notes that "the mark consists of a yellow stylized letter "e" inside an oval with a white star design and the word "Econo Lodge" in white above the words "Inn & Suites" in yellow, all on a red background.

5. The ECONO LODGE family of marks-at-issue are valid and were properly issued by the United States Patent and Trademark Office under the Trademark Laws of the United States.

6. Defendants have used the website www.economylodgestgeorge.com, www.econonmylodgenephi.com, the trademark ECONOMY LODGE, a stylized "e", the combination of the colors "red" and "yellow" and/or the Utah State Trademark Registration No. 7401195-0190:



(collectively referred to as the "ECONOMY LODGE Marks") to unfairly compete with Choice Hotels.

IT IS FURTHER ORDERED and DECREED that:

7. Defendants will cease all use of the ECONOMY LODGE Marks by November 8, 2013 including any mark confusingly similar to the ECONO LODGE family of marks, in the United States and will not use the mark in the United States thereafter.

8. No later than November 8, 2013, Defendants will remove all use of ECONOMY LODGE marks from all signage, billboards, letterhead, websites and other online locations and other marketing and promotional materials.

9. No later than November 8, 2013, Defendants will instruct third-party vendors, such as printed phone books, of the name change from ECONOMY LODGE to ECONOMY INN and indicate that the changes must be made as soon as commercially practicable, including with very next editions of any such printed materials, and Defendants will follow up to ensure such changes are made in the most timely manner reasonably available.

10. By no later than November 8, 2013, Defendants will change the their businesses in the United States, including both the St. George, Utah and Nephi, Utah locations, from ECONOMY LODGE to ECONOMY INN.


11. No later than November 1, 2013, Defendants will remove the color "red" and "yellow" color combination and stylized "e" from the all websites offering hotel services including www.economylodgestgeorge.com and www.econonmylodgenephi.com.

12. Defendants will turn over the domains www.economylodgestgeorge.com and www.econonmylodgenephi.com to Choice Hotels by November 1, 2013.

13. Defendants will expressly abandon Utah State Trademark Registration No. 7401195-0190 and Utah State Trademark Registration No. 7401195-0190 is hereby canceled.

14. Upon entry of this Stipulated Consent Judgment, the Defendants and their officers, agents, servants, employees, and those in active concert or participation with Defendants, ARE HEREBY PERMANENTLY ENJOINED and shall not use the name



ECONOMY LOGE, the design mark , the color “red” together with the color “yellow”, a stylized “e,” any of the ECONO LODGE family of marks, or any trademark confusingly similar to any of the ECONO LODGE family of marks with hotel services within the United States until such time as the trademarks-at-issue expire or are otherwise ultimately determined to be invalid, including by advertising, promoting or displaying hotels services on any internet website, and/or referencing the ECONOMY LODGE Marks or the ECONO LODGE family of marks, whether in regular text or metatags on any website or printed publication.

15. This Permanent Injunction shall remain in force until such time as the trademarks-at-issue have expired, lapsed or cancelled or the trademarks are ultimately determined and adjudged, by a court of competent jurisdiction and without further right of appeal, to be invalid or unenforceable.

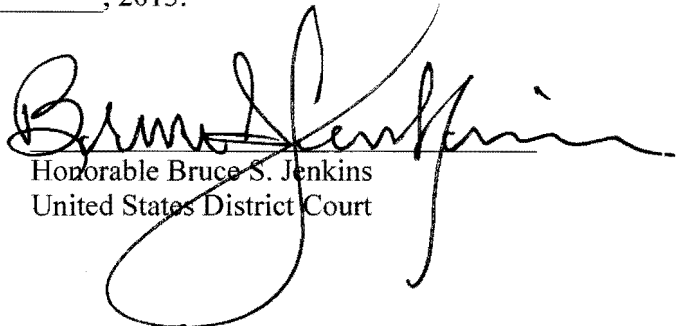
IT IS FURTHER ORDERED THAT:

16. This Consent Judgment terminates this action, subject to the Court's continuing jurisdiction to enforce and oversee the requirements contained in the Consent Judgment and Permanent Injunction.

17. Defendants agree to pay Choice Hotels \$6,000.00. Accordingly, Choice Hotels is awarded judgment in the amount of \$6,000.00. Each party shall bear its own remaining costs, including attorneys' fees.

18. Upon any finding that that Defendants have violated this Consent Judgment Defendant ~~shall~~ ^{MAY BY} be found in contempt of Court, and the Court ~~shall~~ ^{MAY BY} award all reasonable attorneys' fees and costs incurred by Choice Hotels in establishing that finding along with a penalty, payable to Choice, in an amount set by the Court which corresponds to any damage incurred by Choice Hotels resulting from that contempt.

Dated this 7th day of Oct., 2013.


Honorable Bruce S. Jenkins
United States District Court

APPROVED AS TO FORM:

Dated this 3rd day of October, 2013

Dated this 3rd day of October, 2013

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| <u>/s/ H. Dickson Burton</u> H. Dickson Burton Utah Bar No. 4004 Krista Weber Powell Utah Bar No. 8019 TRASKBRITT 230 South 500 East, Suite 300 Salt Lake City, Utah 84102 Telephone: (801) 532-1922 Facsimile: (801) 532-9168 Email: kpowell@traskbritt.com Email: hdburton@traskbritt.com | <u>/s/ Kimball Forbes</u> Kimball Forbes Utah Bar No. 12511 CLARKSON DRAPER & BECKSTROM, LLC 162 North 400 East Suite A-204 P.O. Box 1630 St. George, UT 84771 Telephone: (435) 634-1942 Facsimile: (435) 634-1940 Email: kforbes@clarksondraper.com |
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